

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In Re Application of:

Barbara, Ellen, et al.

Application No.

09/903,284

Filed:

July 11, 2001

For:

**METHOD AND SYSTEM
FOR ON-LINE PAYMENTS**

Examiner:

Oyebisi, O.

Group Art Unit:

3628

APPEAL BRIEF

Mail Stop Appeal Brief-Patents
Commissioner of Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This is an Appeal Brief under 37 C.F.R. § 41.37 in connection with decision of the Examiner mailed on October 20, 2005. A Notice of Appeal was filed on April 19, 2006 setting the period for filing an Appeal Brief to expire on June 19, 2006. A one-month extension of time and fee is being submitted herewith to extend the period for filing the Appeal Brief to and including July 19, 2006. Each of the topics required by § 41.37 is presented herewith and is labeled appropriately.

(1) Real Party In Interest

The real party in interest is Citicorp Credit Services, Inc.

(2) Related Appeals And Interferences

There are no other appeals or interferences related to this case.

(3) Status of Claims

Claims 1-11, 17-44 and 50-72 are pending and all have been rejected.

Claims 12-16 and 45-49 have been canceled.

No claims have been allowed.

No claims have been withdrawn

Claims 1-11, 17-44 and 50-72 are hereby appealed.

(4) There are no amendments after final rejection.

(5) Summary of Claimed Subject Matter

Independent claims 1 and 34 propose, respectively, a method and system for making on-line payments that involves receiving enrollment information from a user for an on-line payments service (See, e.g., Specification, p. 4, lines 1-10; p. 10, line 15-p. 11, line 2; and Figs. 2, 14, and 14a); receiving the user's designation of a source account for withdrawing funds for the on-line payments (See, e.g., Specification, p. 4, lines 12-29; p. 11, lines 3-38; and Figs. 1 and 2); and providing a transaction account for the user as a money deposit account with an account number that the user can use as a source and a destination of funds and with at least one of a plurality of service levels (See, e.g., Specification, p. 5, lines 1-4; p. 10, lines 1-9; and Fig. 1).

Independent claims 1 and 34, respectively, further propose that the plurality of service levels of the transaction account comprise a first level service that includes an on-line person-to-person payment service enabling the user to receive and send funds from the user's transaction account, with a save for later feature enabling the user to accumulate a balance of funds in the user's transaction account for later use, and with a held money feature for retaining funds in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient (See, e.g., Specification, p. 5, lines 5-13; p. 19, lines 3-21; and Fig. 6); a second level of service that includes all features of the first level of service plus an access card enabling the user to access funds in the user's transaction account for off-line transactions (See, e.g., Specification, p. 5, lines 14-24; p. 19, line 22-p. 20, line 3; and Fig. 7); and a third level of service that includes all features of the first and second levels of service plus a credit line enabling the user to access both line of

credit funds and accumulated balance funds in the user's transaction account (See, e.g., Specification, p. 15, lines 17-24; p. 20, lines 4-13; and Fig. 8).

Independent claims 1 and 34, respectively, additionally propose allowing the user to have funds reside in the transaction account for one or more of making an on-line payment with funds in the transaction account, making an on-line purchase with funds in the transaction account, making an off-line purchase with funds in the transaction account, making a cash withdrawal with funds in the transaction account, making a credit card account payment with funds in the transaction account, making a bill payment with funds in the transaction account, and making an international payment with funds in the transaction account (See, e.g., Specification, p. 5, line 26-p. 6, line 27; p. 10, lines 1-7; p. 14, line 3-p. 19, line 2; and Figs. 1 and 3-5).

Independent claim 71 proposes a method for making on-line payments involving receiving enrollment information by a payments engine from a user at a terminal via a network for an on-line payments service (See, e.g., Specification, p. 4, lines 1-10; p. 10, line 15-p. 11, line 2; and Figs. 2, 14, and 14a); identifying characteristics of the user from the enrollment information indicative of a predefined service level for the user by the payments engine and appending a level indicator for the user by the payments engine to an enrollment file for the user corresponding to the predefined service level for the user (See, e.g., Specification, p. 20, lines 14-25); and receiving the user's designation of a source account for withdrawing funds for the on-line payments service for the user by the payments engine via the network (See, e.g., Specification, p. 4, lines 12-29; p. 11 lines 3-28; and Figs. 1 and 2).

Independent claim 71 further proposes providing a transaction account for the user by the payments engine with a user service level and graphical user interface corresponding to the appended level indicator (See, e.g., Specification, p. 3, lines 18-21; p. 5, lines 1-4; p. 9, lines 5-18; p. 10, lines 1-9; and Fig. 1) and allowing the user to use the transaction account for a transaction via the payments engine in response to prompts displayed on the graphical user interface for the user at the terminal according to predetermined transaction parameters

established for the user service level (See, e.g., Specification, p. 5, line 27-p. 6, line 27; p. 14, line 3-p. 19, line 2; and Figs. 3-5).

Independent claim 71 additionally proposes that that the predefined service levels comprise a first level service that includes an on-line person-to-person payment service enabling the user to receive and send funds from the user's transaction account, with a save for later feature enabling the user to accumulate a balance of funds in the user's transaction account for later use, and with a held money feature for retaining funds in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient (See, e.g., Specification, p. 5, lines 5-13; p. 19, lines 3-21; and Fig. 6), a second level of service that includes all features of the first level of service plus an access card enabling the user to access funds in the user's transaction account for off-line transactions (See, e.g., Specification, p. 5, lines 14-24; p. 19, line 22-p. 20, line 3; and Fig. 7), and a third level of service that includes all features of the first and second levels of service plus a credit line enabling the user to access both line of credit funds and accumulated balance funds in the user's transaction account (See, Specification, p. 15, lines 17-24; p. 20, lines 4-13; and Fig. 8).

Independent claim 72 proposes a method for making on-line payments that involves receiving enrollment information for an on-line payments service on an enrollment page for the on-line payments service (See, e.g., Specification, p. 4, lines 12-29; p. 10, line 15-p. 11, line 2; and Figs. 2, 14, and 14a); receiving from the user the user's designation of a source account for withdrawing funds for the on-line payments service (See, e.g., Specification, p. 4, lines 12-29; p. 11, lines 3-28; and Figs. 1 and 2); providing a transaction account for the user by the on-line payments service as a money deposit account with an account number that the user can use as a source and a destination of funds and with at least one of a plurality of service levels (See, e.g., Specification, p. 5, lines 1-4; p. 10, lines 1-9; and Figs 1 and 6-8); and allowing the user to have funds reside in at least one of a save for later portion of the transaction account and a held money portion of the transaction account (See, e.g., Specification, p. 5, lines 25-27; p. 10, lines 1-7; and Fig. 1).

Independent claim 72 additionally proposes allowing the user to use the funds residing in the transaction account for a transaction consisting of any of making an on-line payment via a recipient account with funds in the transaction account, making an on-line purchase with funds in the transaction account by authorizing payment from the transaction account to an on-line merchant, making a credit card account payment with funds in the transaction account by authorizing the payment to the user's credit card account, making a bill payment via a bill payment service with funds in the transaction account, making an international payment via an international payment service in a foreign currency with funds in the transaction account, making an off-line purchase with funds in the transaction account by authorizing payment from the transaction account to an off-line merchant using a transaction card provided to the user in connection with the transaction account, and making a cash withdrawal with funds in the transaction account at a self-service financial transaction terminal using the transaction card (See, e.g., Specification, p. 5, line 27-p. 6, line 27; p. 14, line 3-p. 19, line 2; and Figs. 3-5).

Independent claim 72 further proposes providing the user a credit facility to supplement the save for later portion of the funds in the transaction account for use in any of said transactions, wherein the credit facility is accessible by the user only upon depleting the save for later portion of the funds in the transaction account (See, e.g., Specification, p. 5, lines 17-21; p. 6, lines 23-27; p. 20, lines 4-28; and Fig. 8).

(6) Grounds of Rejection to be Reviewed on Appeal

Claims 1-11, 17-44 and 50-72 stand rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,292,789 to Schutzer (hereinafter "Schutzer") in view of Sun Trust .com (hereinafter "Sun"); Nelson, Quicken '99 for Windows for Dummies (hereinafter "Nelson"); U.S. Patent No. 5,903,881 to Schrader et al. (hereinafter "Schrader"); X.com (hereinafter "X.com"), and PayPal.com (hereinafter "PayPal").

(7) **Argument**

**The Combination of Schutzer in view of Sun, Nelson,
Schrader, X.com, and PayPal.com to Reject
Claims 1-11, 17-44 and 50-72 is Improper**

As an initial matter, Applicants respectfully disagree with many statements by the Examiner characterizing Applicants' claims. In particular, Applicants disagree with statements by the Examiner, such as "Applicant has generally claimed a prior known on-line payment system using what was by then a standard or optionally available combination of accounts and features." (Office Action mailed October 20, 2005, p. 2). Applicants also disagree with the assertions that its claimed methods and systems were "known," "standard," or "optionally available." As a further example, Applicants disagree with the Examiner's mischaracterization with respect to independent claims 1 and 34 "that the transaction account disclosed in claims 1 and 34 is nothing but a standard checking account coupled to an online payment system and multiple common banking services in combination." (Office Action mailed October 20, 2005, p. 10). Applicants respectfully disagree with this characterization of claims 1 and 34, particularly as Applicants' inventions are defined by each and every limitation of the claims, which are not recited in the Examiner's definition.

The Examiner considers that independent claims 1, 34, 71, and 72, as well as claims 2-11, 17-33, and 66-70 depending on claim 1 and claims 35-44 and 50-66 depending on claim 34 are all obvious over Schutzer in view of Sun, Nelson, Schrader, X.com, and PayPal.com. On the contrary, in addition to not teaching or suggesting each and every limitation of the independent claims as discussed below, the Examiner's combination of Schutzer with Sun, Nelson, Schrader, X.com, and PayPal.com is improper. With regard to the combination, the Examiner alleged that "Because it would have been common and advantageous and provided a much more comprehensive and efficient system of conducting on-line payment and banking services with integrated accounts and services, it would have been obvious to add the teaching of Sun, Nelson and Schrader and X.com and PayPal.com to those of Schutzer, and to add those of Schutzer to those of the others for the same reason." (Office Action mailed October 20, 2005, p. 6)

Applicants respectfully submit that the Examiner has not met the Examiner's burden of proof on obviousness in that the Examiner has failed to demonstrate a motivation or suggestion to combine these six references. The Examiner's statement regarding motivation to combine is a mere assertion based on the Examiner's view on what the level of ordinary skill in the art was at the time the invention was made. "The level of skill in the art cannot be relied upon to provide the suggestion to combine references." MPEP § 2143.01, citing *Al-Site Corp. v. VSI Int'l Inc.*, 174 F.3d 1308, 50 USPQ2d 1161 (Fed. Cir. 1999). Further, the Examiner has not identified statements in the prior art that would suggest the desirability of combining the six references asserted. "The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination." MPEP § 2143.01, citing *In re Mills*, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990).

In addition, the Examiner made numerous allegations regarding his view on what would have been obvious in the art and/or what would have been obvious or well-known in the art. (See, e.g., Office Action mailed October 20, 2005, p 6-9). Due to the organization of such allegations, such as the length of the sentences, the number of clauses in each sentence, and the inconsistent use of "obvious," "well-known," and "common practice" throughout the sentences, it is unknown whether the Examiner was alleging that each statement on pages 6-9 is well known or only certain statements. Accordingly, it is not possible for Applicants to specifically point out the supposed errors in the Examiner's action, including stating why the noticed fact is not considered to be common knowledge or well-known in the art, as it is unclear which statements (and which clauses within such statements) are viewed by the Examiner to be well known or common practice. Applicants' previous requests for clarification have been denied by the Examiner.

To the extent the Examiner's position is that each of the allegations on pages 6-9 are statements that the Examiner believes are well known or common practice, Applicants submit that the Examiner's use of official notice is not in compliance with MPEP 2144.03. Specifically, Applicants respectfully submit that the Examiner has not "provide[d] specific factual findings predicated on sound technical and scientific reasoning to support his or her

conclusion of common knowledge” for each statement. MPEP § 2143.03. In order to challenge the assertion, “[t]he applicant should be presented with the explicit basis on which the examiner regards the matter as subject to official notice[.]” MPEP § 2143.03. Because Applicants are not aware of which specific statements or clauses are asserted to be well known or common practice and because the Examiner has not provided an explicit basis for such statements, Applicants are presently unable to traverse or otherwise respond to such allegations.

Regarding the rejection of independent method claim 1 and corresponding system claim 34, claims 1 and 34 propose, respectively, a method and system for making on-line payments that involves:

- receiving enrollment information from a user for an on-line payments service;
- receiving the user’s designation of a source account for withdrawing funds for the on-line payments;
- providing a transaction account for the user as a money deposit account with an account number that the user can use as a source and destination of funds and with one or more service levels, including:

a first level of service that includes:

an on-line person-to-person payment service enabling the user to receive and send funds from the transaction account,

a save for later feature enabling the user to accumulate a balance of funds in the transaction account for later use, and

a held money feature for retaining funds in the transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient;

a second level of service that includes:

all features of the first level of service, plus

an access card enabling the user to access funds in the transaction account for off-line transactions;

a third level of service that includes:

all features of the first and second levels of service, plus

a credit line enabling the user to access both line of credit funds and accumulated balance funds in the transaction account;

- allowing the user to have funds reside in the transaction account; and allowing the user to use the funds residing in the transaction account for one or more of:

making an on-line payment,

making an on-line purchase,

making an off-line purchase,

making a cash withdrawal,

making a credit card account payment,

making a bill payment, and

making an international payment.

None of the references, separately or in combination with one another, teach or suggest, for example, a source account for withdrawing funds for on-line payments in combination with a transaction account comprising a plurality of service levels, the service levels comprising, among other features, an on-line person-to-person payment service, an access card enabling the user to access funds in the user's transaction account for off-line

transactions, and a credit line enabling the user to access both line of credit funds and accumulated balance funds in the user's transaction account, wherein the transaction account comprises a save for later feature and a held money feature, as recited in claims 1 and 34.

On the contrary, Schutzer relates to a method and system for electronic bill presentment in which a biller signs up for billing service with a bill service provider, and thereafter consumers can sign up to have the biller's bills presented to the consumer by enrolling with a consumer service provider. See, e.g., Schutzer, col 13, line 45-col 14, line 3. The biller submits bills for a particular cycle to the bill service provider, and the consumer service provider sends a notice of a new bill to the consumer's e-mail address, whereupon the consumer can pay either by sending an email with payment instructions to his payment processor, e.g., the bank where he has his bank account, or via his home banking software that interfaces to his payment processor, which then clears and settles the payment using, e.g., an ACH authorization. See, e.g., Schutzer, col 15, lines 3-23.

It is apparent on its face that Schutzer neither teaches nor suggests providing a transaction account with a number of features and different levels of service, including an on-line person-to-person payment service, as recited in amended claims 1 and 34. Claims 1 and 34 recite both a source account and a transaction account. The Examiner appears to take the position that Schutzer discloses "bank checking accounts used for a payment service" which the Examiner asserts are transaction accounts. Office Action mailed October 20, 2005, p. 3. However, later in the same paragraph, the Examiner alleges that "[m]any of the above elements are inherent in the operation of an account that is the source account for a customer's payment service." Office Action mailed October 20, 2005, p. 3. While a checking account can be a source account in some embodiments of the present invention, Applicants respectfully submit that the Examiner cannot rely on the same account (a checking account) as teaching both a source account and a transaction account when the source account and transaction account are separately recited features in claims 1 and 34.

The Examiner also alleges that a "savings account" is a save for later feature enabling the user to accumulate a balance of funds in the user's transaction account for later use.

Applicants respectfully submit that the save for later feature, as well as other features recited in claims 1 and 34, are associated with the transaction account and that the Examiner's reference to multiple accounts as teaching features and limitations associated with a single account in the claims is improper.

The Examiner also alleges that the held money feature for retaining funds is "commonly automatically calculated as part of the account balance until the check is actually presented for payment[.]" Office Action mailed October 20, 2005, p. 3. The Examiner's allegation in this regard is inaccurate in that a financial institution having the user's account would not be aware of what personal checks the user has written until the checks are presented for payment.

For these reasons, Applicants respectfully submit that Schutzer does not provide a transaction account as recited in claims 1 and 34, and further that there is no such transaction account in Schutzer with different levels of service. Nor is there any teaching or suggestion whatsoever in Schutzer of international payments as recited in claims 1 and 34. Instead, according to Schutzer, the consumer simply receives bills, e.g., by email from his consumer service provider, whereupon his options are limited to sending instructions either by email or home banking software to his bank, which then issues checks on the consumer's account and clears and settles the payment. See, e.g., Schutzer, col 15, lines 3-23.

Sun, which appears to be a printout of an old homepage for SunTrust Banks, does not cure the deficiencies of Schutzer. The two-page Sun reference provided by the Examiner provides very little information. Sun suggests that a user can "Login to Internet Banking" and indicates that Internet Banking might allow a user to "Bank and Pay Bills the E-way." Sun, p. 2. Sun does not provide any description of how these services are performed nor to how its accounts are set up. Accordingly, Applicants respectfully submit that Sun reference, like Schutzer, does not teach or suggest a transaction account having the features and levels of service recited in claims 1 and 34.

Nor do Nelson and Schrader cure the deficiencies of Schutzer and Sun. Nelson and Schrader relate to home banking software that allows a user to designate his or her own bank account as the source of funds to make payments. According to Nelson and Schrader, the user selects the bank where he has an account from a menu of participating banks and enters his bank's ABA routing number along with his bank account number and customer ID number. See, e.g., Nelson p. 101; Schrader, col 15, lines 27-54. Applicants respectfully submit that Nelson and/or Schrader do not teach or suggest providing a transaction account for the user as a money deposit account to use as a source and a destination of funds with different service levels as recited in claims 1 and 34. On the contrary, Nelson and Schrader simply allow the user to designate his own bank account as the source of funds from which to make payments. Nor is there any teaching or suggestion whatsoever in Nelson and/or Schrader of providing a transaction account within which the consumer is allowed to have funds reside as recited in claims 1 and 34. Instead, according to Nelson and Schrader, the bank customer sends instructions for payment of his bills to the bank via the home banking software, and the bank simply issues checks on the customer's own bank account to pay the bills. See, e.g., Nelson, p. 103-106; Schrader, col 15, line 55-col 16, line 12.

The Examiner alleges that Nelson discloses "separate accounting for cleared and uncleared checks (held money features)." Office Action mailed October 20, 2005, p. 4. The Examiner also alleges that Schrader discloses "save for later and held money portions of the transaction account, as it is obvious in his uncleared checking account balance for it to become not only the held money portion of the transaction action but also the save for later portion[.]" Office Action mailed October 20, 2005, p. 5. While the home banking software provided in Nelson and Schrader may display cleared and uncleared transactions as well as different account balances accounting for such transactions, the user's actual bank account does not include a save for later feature or a held money feature; the accounting noted by the Examiner is in files associated with the user's home banking software and not the user's bank account.

The Examiner alleges that the save for later feature is disclosed by Nelson as "additional accounts including petty cash, savings, and liability[.]" Office Action mailed

October 20, 2005, p. 4. However, the save for later feature, as well as other features recited in claims 1 and 34, are associated with the transaction account and that the Examiner's reference to different accounts as teaching features and limitations associated with a single account in the claims is improper.

Further, contrary to the Examiner's allegation that Nelson discloses "the inherency of . . . a person to person payment service" (Office Action mailed October 20, 2005, p. 4-5), Nelson neither teaches nor suggests an on-line person-to-person payment service, as recited in claims 1 and 34.

As already noted, Nelson and/or Schrader do not provide a transaction account for the user as a money deposit account to use as a source and a destination of funds with different service levels, and it follows that Nelson and/or Schrader neither teach nor suggest allowing funds to reside in the transaction account and be used by the bank customer for payments, purchases, or withdrawals as recited in claims 1 and 34. Nor is there any teaching or suggestion in Nelson and/or Schrader whatsoever of international payments as recited in claims 1 and 34. On the contrary, according to Nelson and Schrader, the bank customer merely sends instructions to his bank via the home banking software to have the bank issue checks on the customer's checking account to pay the customer's bills, or the customer can check his account balance, or the customer can transfer funds between his accounts with the bank. See, e.g., Nelson, p. 103-108; Schrader, col 15, line 55-col 19, line 24.

X.com does not cure the deficiencies of Schutzer, Sun, Nelson, and/or Schrader. X.com relates to online banking services that allows a user to move cash into and out of a checking account. X.com simply invites a user to open an account and receive the VISA check card and free starter kit of checks in the mail and offers the banking service through First Western National Bank, including a checking account that allows the user to move cash into and out of the checking account. See, e.g., X.com, p. 3. However, there is no teaching or suggestion whatsoever in X.com of providing a transaction account for the user as a money deposit account with different service levels as recited in claims 1 and 34. For example, X.com does not teach or suggest a transaction account for a user as a money

deposit account with a save for later feature and/or with a held money feature. Nor is there any teaching or suggestion whatsoever of international payments as recited in claims 1 and 34. Instead, X.com simply offers banking service through First Western National Bank, including the checking account that allows users to send money over the Internet to be retrieved at ATMs with debit cards mailed to the recipient. See, e.g., X.com, p. 3-6.

The Examiner's allegation that "[c]laim 1 simply describes a standard checking account coupled to an online payment system, using the checking account as a funds source" (Office Action mailed October 20, 2005, p. 5) is incorrect. Applicants agree that a checking account can be a source account as that term is used in claims 1 and 34. However, when the checking account is a source account, that same checking account cannot also be the transaction account as claims 1 and 34 recite a source account and checking account as being separate features. As noted above, the X.com account does not teach or suggest the features and different service of levels of the transaction account recited in claims 1 and 34.

Neither does PayPal.com cure the deficiencies of Schutzer, Sun, Nelson, Schrader, and/or X.com. The PayPal.com reference discloses payments by email. There is no teaching or suggestion whatsoever in PayPal.com of providing a transaction account with different service levels as recited in claims 1 and 34. On the contrary, according to PayPal.com, a user is allowed to log on to the website and register for email payment service and to use his own credit or bank account as the source account for the email payment and have funds deposited directly to his bank. See, e.g., Paypal, p. 2.

Accordingly, independent claims 1 and 34 are patentable over Schutzer in view of Sun, Nelson, Schrader, X.com, and/or PayPal.com, because none of the references, alone or in combination, teach or suggest a method for making online payments that comprises providing a source account for withdrawing funds for on-line payments in combination with providing the user a transaction account as a money deposit account with one or more service levels, upon receipt of enrollment information and designation of a source account from the user, wherein the service levels consist of a first level that includes an on-line person-to-person payment service enabling the user to receive and send funds from the user's

transaction account, with a save for later feature enabling the user to accumulate a balance of funds in the user's transaction account for later use, and with a held money feature for retaining funds in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient; a second level that includes all features of the first level plus an access card enabling the user to access funds in the user's transaction account for off-line transactions; and a third level that includes all features of the first and second levels plus a credit line enabling the user to access both line of credit funds and accumulated balance funds in the user's transaction account, and wherein the user is allowed to have funds reside in the transaction account and use those funds for various types of transactions, including, e.g., international payments, as recited in claims 1 and 34.

In addition, for at least the foregoing reasons, it is submitted that claims 2-11, 17-33, and 66-70 depending on claim 1 and claims 35-44 and 50-66 depending on claim 34 are likewise patentable over the references cited by the Examiner.

Regarding the rejection of independent method claim 71, claim 71 proposes a method and system for making on-line payments that involves:

- receiving enrollment information by a payments engine from a user at a terminal via a network for an on-line payments service;
- identifying characteristics of the user from the enrollment information indicative of a predefined service level for the user by the payments engine;
- appending a level indicator for the user by the payments engine to an enrollment file for the user corresponding to the predefined service level for the user;
- receiving the user's designation of a source account for withdrawing funds for the on-line payments service for the user by the payments engine via the network;
- providing a transaction account for the user by the payments engine with a user service level and graphical user interface corresponding to the appended level indicator; and
- allowing the user to use the transaction account for a transaction via the payments engine in response to prompts displayed on the graphical user interface for the user at

the terminal according to predetermined transaction parameters established for the user service level,

which service levels comprise:

a first level service that includes:

an on-line person-to-person payment service enabling the user to receive and send funds from the user's transaction account,

with a save for later feature enabling the user to accumulate a balance of funds in the user's transaction account for later use, and

with a held money feature for retaining funds in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient,

a second level of service that includes:

all features of the first level of service, plus

an access card enabling the user to access funds in the user's transaction account for off-line transactions, and

a third level of service that includes:

all features of the first and second levels of service, plus

a credit line enabling the user to access both line of credit funds and accumulated balance funds in the user's transaction account.

Applicants respectfully submit that there is no teaching or suggestion in Schutzer of providing a transaction account with the different service levels or a payments engine as

recited in claim 71. On the contrary, Schutzer teaches that the biller signs up for billing service, and thereafter consumers can sign up to have the biller's bills presented to the consumer and have his bank pay his bills out of his bank account pursuant to his instructions. See, e.g., Schutzer, col 13, line 45-col 14, line 3; col 15, lines 3-23. According to Schutzer, the biller submits bills for a particular cycle to the bill service provider, and the consumer service provider sends a notice of a new bill to the consumer's email address, and the consumer either pays by sending an email with payment instructions to his payment processor, e.g., the bank where the consumer has a bank account, or via home banking/bill payment personal finance software that interfaces to the payment processor, which clears and settles the payment using, e.g., an ACH authorization. See, e.g., Schutzer, col 15, lines 3-23.

There is no teaching or suggestion in Schutzer whatsoever of providing a transaction account with different service levels or a payments engine as recited in claim 71, and it is abundantly clear that terms, such as biller "account" and consumer "account" refer to the arrangements establishing parameters for services to be provided to billers and consumers by service providers and not to the transaction as recited in claim 71. On the contrary, instead of providing a transaction account for the user by the payments engine as recited in claim 71, Schutzer teaches that the consumer's bank simply pays the consumer's bills pursuant to instructions from the consumer's bank account. See, e.g., Schutzer, col 15, lines 3-23.

It is apparent on its face that Schutzer neither teaches nor suggests providing a transaction account by the payments engine with a predefined user service level, including an on-line person-to-person payment service, as recited in amended claim 71. Claim 71 recites both a source account and a transaction account. The Examiner appears to take the position that Schutzer discloses "bank checking accounts used for a payment service" which the Examiner asserts are transaction accounts. Office Action mailed October 20, 2005, p. 3. However, later in the same paragraph, the Examiner states that "[m]any of the above elements are inherent in the operation of an account that is the source account for a customer's payment service." Office Action mailed October 20, 2005, p. 4. While a checking account can be a source account in some embodiments of the present invention, Applicants respectfully submit that the Examiner can not rely on the same account (a

checking account) as teaching both a source account and a transaction account when the source account and transaction account are separately recited features in the claims.

For at least the foregoing reasons, Applicants respectfully submit that Schutzer does not provide a transaction account with a user service level by a payments engine as recited in claim 71, and that there is no such transaction account in Schutzer with different levels of service. Nor is there any teaching or suggestion in Schutzer of allowing the user to use the transaction account provided by the payments engine for a transaction as recited in claim 71. On the contrary, instead of providing a transaction account that the user can use as a source and a destination of funds, Schutzer teaches that the bank where the consumer has his bank account simply pays the consumer's bills out of the consumer's bank account pursuant to instructions from the consumer. See, e.g., Schutzer, col 15, lines 3-23.

Applicants respectfully submit that Sun, which as previously noted, appears to be a printout of an old homepage for SunTrust Banks, does not cure the deficiencies of Schutzer. The two page Sun reference provided by the Examiner provides very little information. The Sun reference suggests that a user can "Login to Internet Banking" and indicates that Internet Banking might allow a user to "Bank and Pay Bills the E-way." Sun, p. 2. The Sun reference does not provide any description of how these services are performed nor to how its accounts are set up. Accordingly, Applicants respectfully submit that the Sun reference, like Schutzer, does not teach or suggest providing a transaction account with a user service level by a payments engine as recited in claim 71.

Applicants also respectfully submit that Nelson and Schrader do not cure the deficiencies of Schutzer and Sun. There is no teaching or suggestion in Nelson and/or Schrader et al. whatsoever of providing a transaction account with different service levels by the payments engine as recited in claim 71. On the contrary, according to Nelson and Schrader, the user selects his own bank where he has his bank account from a menu of participating banks and enters his bank's ABA routing number, his bank account number, and his customer ID number and furnishes details for payment of his bills to the bank via the

home banking software, and the bank simply issues checks to pay the bills. See, e.g., Nelson p. 101-106; and Schrader, col. 15, lines 27-col 16, line 12.

Applicants respectfully submit that X.com does not cure the deficiencies of Schutzer, Sun, Nelson, and/or Schrader. There is no teaching or suggestion in X.com whatsoever of providing a transaction account with different service levels by the payments engine as recited in claim 71. On the contrary, X.com offers banking service through First Western National Bank, including a checking account that allows users to send money over the Internet to be retrieved at ATMs with debit cards mailed to the recipient, and invites users to open the account and receive a VISA check card and free starter kit of checks in the mail. See, e.g., X.com, p. 3.

Applicants also respectfully submit that PayPal.com does not cure the deficiencies of Schutzer, Nelson, Schraeder et al., and/or X.com. There is no teaching or suggestion in PayPal.com whatsoever of providing the transaction account with different service levels by the payments engine as recited in claim 71. On the contrary, according to PayPal.com, a user is allowed to log on to a website and register for the email payment services and make email payments using his own credit card or bank account or a check as the source account for email payments and withdraw funds by direct deposit to his source account. See, e.g., X.com, p. 3.

For the above reasons, Applicants respectfully submit that claim 71 is patentable over Schutzer in view of Sun, Nelson, Schrader, X.com, and/or PayPal.com because none of the references, alone or in combination with one another, teach or suggest a method for making online payments that comprises appending a level indicator for a user by a payments engine to an enrollment file for the user corresponding to a predefined service level for the user, receiving the user's designation of a source account for withdrawing funds for the on-line payments service for the user by the payments engine via the network, and providing a transaction account for the user by the payments engine with a user service level and graphical user interface corresponding to the appended level indicator, wherein the predefined service levels comprise a first level service that includes an on-line person-to-

person payment service enabling the user to receive and send funds from the user's transaction account, with a save for later feature enabling the user to accumulate a balance of funds in the user's transaction account for later use, and with a held money feature for retaining funds in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient, a second level of service that includes all features of the first level of service plus an access card enabling the user to access funds in the user's transaction account for off-line transactions, and a third level of service that includes all features of the first and second levels of service plus a credit line enabling the user to access both line of credit funds and accumulated balance funds in the user's transaction account, as recited in claim 71.

Regarding the rejection of independent method claim 72, claim 72 proposes a method and system for making on-line payments that involves:

- receiving enrollment information for an on-line payments service on an enrollment page for the on-line payments service,
- receiving from the user the user's designation of a source account for withdrawing funds for the on-line payments service,
- providing a transaction account for the user by the on-line payments service as a money deposit account with an account number that the user can use as a source and a destination of funds and with at least one of a plurality of service levels;
- allowing the user to have funds reside in at least one of a save for later portion of the transaction account and a held money portion of the transaction account;
- providing the user a credit facility to supplement the save for later portion of the funds in the transaction account for use in any of said transactions, wherein the credit facility is accessible by the user only upon depleting the save for later portion of the funds in the transaction account;
- allowing the user to use the funds residing in the transaction account for a transaction consisting of any of:

making an on-line payment via a recipient account with funds in the transaction account,

making an on-line purchase with funds in the transaction account by authorizing payment from the transaction account to an on-line merchant,

making a credit card account payment with funds in the transaction account by authorizing the payment to the user's credit card account,

making a bill payment via a bill payment service with funds in the transaction account, making an international payment via an international payment service in a foreign currency with funds in the transaction account,

making an off-line purchase with funds in the transaction account by authorizing payment from the transaction account to an off-line merchant using a transaction card provided to the user in connection with the transaction account, and

making a cash withdrawal with funds in the transaction account at a self-service financial transaction terminal using the transaction card.

Schutzer relates to a method and system for electronic bill presentment in which a biller signs up for billing service with a bill service provider, and thereafter consumers can sign up to have the biller's bills presented to the consumer by enrolling with a consumer service provider. See, e.g., Schutzer, col 13, line 45-col 14, line 3. The biller submits bills for a particular cycle to the bill service provider, and the consumer service provider sends a notice of a new bill to the consumer's email address, whereupon the consumer can pay either by sending an email with payment instructions to his payment processor, e.g., the bank where he has his bank account, or via his home banking software that interfaces to his payment processor, which then clears and settles the payment using, e.g., an ACH authorization. See, e.g., Schutzer, col 15, lines 3-23.

It is apparent on its face that Schutzer neither teaches nor suggests providing a transaction account for the user by the on-line payments service as a money deposit account with an account number that the user can use as a source and a destination of funds and with at least one of a plurality of service levels and allowing the user to have funds reside in at least one of a save for later portion of the transaction account and a held money portion of the transaction account as recited in claim 72. Further, claim 72 recites both a source account and a transaction account. The Examiner appears to take the position that Schutzer discloses "bank checking accounts used for a payment service" which the Examiner asserts are transaction accounts. Office Action mailed October 20, 2005, p. 3. However, later in the same paragraph, the Examiner states that "[m]any of the above elements are inherent in the operation of an account that is the source account for a customer's payment service." Office Action mailed October 20, 2005, p. 4. While a checking account can be a source account in some embodiments of the present invention, Applicants respectfully submit that the Examiner can not rely on the same account (a checking account) as teaching both a source account and a transaction account when the source account and transaction account are separately recited features in the claims.

The Examiner also asserts that a "savings account" is a save for later feature enabling the user to accumulate a balance of funds in the user's transaction account for later use. Applicants respectfully submit that the save for later feature, as well as other features recited in claim 72, are associated with the transaction account and that the Examiner's reference to different accounts as teaching features and limitations associated with a single account in the claims is improper.

The Examiner also alleges that the held money feature for retaining funds is "commonly automatically calculated as part of the account balance until the check is actually presented for payment[.]" Office Action mailed October 20, 2005, p. 3. The Examiner's allegation is incorrect in that a financial institution having the user's account would not be aware of what personal checks the user has written until the checks are presented for payment.

For these reasons, Applicants respectfully submit that Schutzer does not teach or suggest providing a transaction account for a user by an on-line payments service with at least one of a plurality of service levels, or allowing the user to have funds reside in at least one of a save for later portion of the transaction account and a held money portion of the transaction account as recited in claim 71. Nor is there any teaching or suggestion whatsoever in Schutzer of international payments as recited in claim 72. Instead, according to Schutzer, the consumer simply receives bills, e.g., by email from his consumer service provider, whereupon his options are limited to sending instructions either by email or home banking software to his bank, which then issues checks on the consumer's account and clears and settles the payment. See, e.g., Schutzer, Col 15, lines 3-23.

The Sun reference, which appears to be a printout of an old homepage for SunTrust Banks, fails to cure the deficiencies of Schutzer. The two page Sun reference provided by the Examiner provides very little information. The Sun reference suggests that a user can "Login to Internet Banking" and indicates that Internet Banking might allow a user to "Bank and Pay Bills the E-way." Sun, p. 2. The Sun reference does not provide any description of how these services are performed nor to how its accounts are set up. Accordingly, Applicants respectfully submit that the Sun reference, like Schutzer, does not teach or suggest providing a transaction account having the features and levels of service recited in claim 72 and does not teach or suggest allowing a user to have funds reside in at least one of a save for later portion of the transaction account and a held money portion of the transaction account as recited in claim 72.

Applicants also respectfully submit that Nelson and Schrader fail to cure the deficiencies of Schutzer and Sun. Nelson and/or Schrader do not teach or suggest providing a transaction account for the user by the on-line payments service as a money deposit account with an account number that the user can use as a source and a destination of funds and with at least one of a plurality of service levels, and also do not teach or suggest allowing the user to have funds reside in at least one of a save for later portion of the transaction account and a held money portion of the transaction account as recited in claim 72. On the contrary, Nelson and Schrader simply allow the user to designate his own bank account as

the source of funds from which to make payments. Nor is there any teaching or suggestion whatsoever in Nelson and/or Schrader of providing a transaction account within which the consumer is allowed to have funds reside as recited in claim 72. Instead, according to Nelson and Schrader, the bank customer sends instructions for payment of his bills to the bank via the home banking software, and the bank simply issues checks on the customer's own bank account to pay the bills. See, e.g., Nelson, p. 103-106; Schrader, col 15, line 55-col 16, line 12.

The Examiner alleges that Nelson discloses "separate accounting for cleared and uncleared checks (held money features)." Office Action mailed October 20, 2005, p. 4. The Examiner alleges further that Schrader discloses "save for later and held money portions of the transaction account, as it is obvious in his uncleared checking account balance for it to become not only the held money portion of the transaction action but also the save for later portion[.]" Office Action mailed October 20, 2005, p. 5. While the home banking software provided in Nelson and Schrader may display cleared and uncleared transactions as well as different account balances accounting for such transactions, Applicants respectfully submit that the user's actual bank account does not include a save for later feature or a held money feature; the accounting noted by the Examiner is in files associated with the user's home banking software and not the user's bank account.

The Examiner also alleges that the save for later feature is disclosed by Nelson as "additional accounts including petty cash, savings, and liability[.]" Office Action mailed October 20, 2005, p. 4. Applicants respectfully submit that the save for later feature, as well as other features recited in claim 72, are associated with the transaction account and that the Examiner's reference to different accounts as teaching features and limitations associated with a single account in the claims is improper.

As previously noted, Nelson and/or Schrader do not provide a transaction account for the user by the on-line payments service as a money deposit account with an account number that the user can use as a source and a destination of funds and with at least one of a plurality of service levels, and also do not allow the user to have funds reside in at least one of a save

for later portion of the transaction account and a held money portion of the transaction account. Similarly, it logically follows that there can be no funds residing in the transaction account which can be used by the user for payments, purchases, or withdrawals as recited in claim 72. Nor is there any teaching or suggestion whatsoever in Nelson and/or Schrader et al. of international payments as recited in claim 72. Instead, according to Nelson and Schrader et al., the bank customer sends instructions to his bank via the home banking software to have the bank issue checks to pay the customer's bills, or the customer can use the home banking software of Nelson and Schrader et al. to check his account balance or to transfer funds between his accounts with the bank. See, e.g., Nelson, p. 103-108; Schrader, col 15, line 55-col 19, line 24.

X.com does not remedy the deficiencies of Schutzer, Nelson, and Schrader et al. While X.com offers customers banking service through First Western National Bank, including a checking account and movement of cash into and out of the customer's checking account, there is no teaching or suggestion whatsoever in X.com of providing a transaction account for the user as a money deposit account with different service levels as recited in claim 72. See, X.com, p. 3. Nor is there any teaching or suggestion in X.com whatsoever of providing a transaction account within which the consumer is allowed to have funds reside in either a save for later portion or a held money portion as recited in claim 72. Instead, X.com merely offers the banking service, including the checking account, through First Western National Bank. See, X.com, p. 3. Neither is there any teaching or suggestion whatsoever in X.com of international payments of any kind, much less of international payments via an international payment service in a foreign currency with funds in the transaction account as recited in claim 72. On the contrary, X.com simply offers banking service, including the checking account that allows the banking customer to send money over the Internet to be retrieved at an ATMs with a debit card. See, X.com, p. 3-6.

Nor does PayPal.com remedy the deficiencies of Schutzer, Sun, Nelson, Schrader, and/or X.com. While PayPal allows the user to designate his credit card or bank account as source account for email payments, as already noted, there is no teaching or suggestion in PayPal.com whatsoever of providing a transaction account with service levels by a payments

engine as recited in claim 72. Nor is there any teaching or suggestion in PayPal.com whatsoever of providing the transaction account within which the consumer is allowed to have funds reside in either a save for later portion or a held money portion as recited in claim 72. Neither is there any teaching or suggestion whatsoever in PayPal.com of international payments of any kind, much less of international payments via an international payment service in a foreign currency with funds in the transaction account as recited in claim 72. On the contrary, PayPal simply allows the user to designate his own credit card or bank account as the source account for email payments and withdraw funds by direct deposit to his bank account. See, e.g., PayPal, p. 2.

For at least the foregoing reasons, the references cited by the Examiner, either separately or in combination with one another, fail to teach or suggest the required combination of limitations recited in claim 72, and therefore, independent claim 72 is patentable over the cited references.

Accordingly, the claimed combinations of independent claims 1, 34, 71, and/or 72 are not taught or suggested by Schutzer, Nelson, Schraeder et al., X.com, and/or PayPal.com either separately or in combination with one another. Because the cited references, either alone or in combination, do not teach the limitations of independent claims 1, 34, 71, and 72, the Examiner has failed to establish the required *prima facie* case of unpatentability. See In re Royka, 490 F.2d 981, 985 (C.C.P.A., 1974) (holding that a *prima facie* case of obviousness requires the references to teach all of the limitations of the rejected claim); see also MPEP §2143.03.

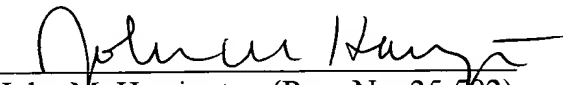
The Examiner has failed to establish the required *prima facie* case of unpatentability for independent claims 1, 34, 71, and 72, and similarly has failed to establish a *prima facie* case of unpatentability for claims 2-11, 17-33, and 66-70 depending on claim 1 and claims 35-44 and 50-66 depending on claim 34 and which recite further specific elements that have no reasonable correspondence with the references.

(9) Conclusion

For at least the reasons given above, the rejections of claims 1-11, 17-44 and 50-72 is improper. Applicant respectfully requests the final rejection by the Examiner be reversed and claims 1-11, 17-44 and 50-72 be allowed. Attached below is an Appendix of claims 1-11, 17-44 and 50-72 for ease of reference.

Respectfully submitted,

Date: 7/19/06

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(8) Claims Appendix

1. A method for making on-line payments, comprising:

receiving enrollment information from a user for an on-line payments service;

receiving the user's designation of a source account for withdrawing funds for the on-line payments;

providing a transaction account for the user as a money deposit account with an account number that the user can use as a source and a destination of funds and with at least one of a plurality of service levels;

wherein providing the transaction account for the user with at least one of the plurality of service levels further comprises providing the transaction account for the user with a first level service that includes an on-line person-to-person payment service enabling the user to receive and send funds from the user's transaction account, with a save for later feature enabling the user to accumulate a balance of funds in the user's transaction account for later use, and with a held money feature for retaining funds in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient; providing the transaction account for the user with a second level of service that includes all features of the first level of service plus an access card enabling the user to access funds in the user's transaction account for off-line transactions; and providing the transaction account for the user with a third level of service that includes all features of the first and second levels of service plus a credit line enabling the user to access both line of credit funds and accumulated balance funds in the user's transaction account;

allowing the user to have funds reside in the transaction account; and

allowing the user to use the funds residing in the transaction account for at least one of making an on-line payment with funds in the transaction account, making an on-line purchase with funds in the transaction account, making an off-line purchase with funds

in the transaction account, making a cash withdrawal with funds in the transaction account, making a credit card account payment with funds in the transaction account, making a bill payment with funds in the transaction account, and making an international payment with funds in the transaction account.

2. The method of claim 1, wherein receiving the enrollment information further comprises receiving the information from the user on an enrollment page for the on-line payments service.

3. The method of claim 2, wherein receiving the enrollment information further comprises receiving information about the user necessary to fulfill a “know your customer” (KYC) obligation of a financial institution as a provider of the on-line payments service.

4. The method of claim 3, wherein receiving the enrollment information further comprises receiving information about the user necessary to enable the financial institution to validate that the user is bona fide.

5. The method of claim 4, wherein receiving the enrollment information further comprises receiving information about the user relevant in settling disputes related to use by the user of the on-line payments service.

6. The method of claim 1, wherein receiving the user’s designation of the source account further comprises receiving the user’s designation of at least one of a credit card account and a deposit account of the user as the source account.

7. The method of claim 6, wherein receiving the user’s designation of the credit card account as the source account further comprises receiving information from the user about the credit card account consisting of a credit card number, a credit card expiration date, and a credit card verifier.

8. The method of claim 7, wherein receiving the information from the user about the credit card account further comprises performing a back end authorization to confirm that the information relates to a valid credit card account of the user.

9. The method of claim 6, wherein receiving the user's designation of the deposit account as the source account further comprises receiving the user's designation of the deposit account consisting of a least one of a checking account, a debit account, and a money market account of the user as the source account.

10. The method of claim 9, wherein receiving the user's designation of the deposit account further comprises receiving information about the deposit account consisting of at least one of a deposit account number and an ABA number of a financial institution with which the deposit account is maintained.

11. The method of claim 10, wherein receiving the information about the deposit account further comprises performing a back end validation to confirm that the user is the owner of the designated deposit account.

17. The method of claim 1, wherein providing the transaction account for the user that includes the access card further comprises providing the access card for the user that allows the user to withdraw funds from the transaction account at a financial transaction terminal.

18. The method of claim 1, wherein allowing the user to have funds reside in the transaction account further comprises allowing the user to utilize the transaction account as a hub for user transactions.

19. The method of claim 18, wherein allowing the user to utilize the transaction account as the hub further comprises allowing the user to use the transaction account for receiving a person-to-person payment.

20. The method of claim 18, wherein allowing the user to utilize the transaction account as the hub further comprises allowing the user to fund the transaction account with funds withdrawn from the designated source account.

21. The method of claim 20, wherein allowing the user to fund the transaction account with funds withdrawn from the designated source account further comprises allowing the user to fund the transaction account with funds withdrawn from at least one of a credit card account and a deposit account as the source account.

22. The method of claim 21, wherein allowing the user to fund the trust account with funds withdrawn from the deposit account further comprises allowing the user to fund the transaction account with funds withdrawn from the deposit account consisting of at least one of a checking account, a debit account, and a money market account as the source account.

23. The method of claim 1, wherein allowing the user to have funds reside in the transaction account further comprises allowing the user to have funds reside in at least one of a save for later portion and a held money portion of the transaction account.

24. The method of claim 23, wherein allowing the user to have funds reside in at least one of the save for later portion and the held money portion of the transaction account further comprises allowing the user to view balances of the save for later and held money portions of the transaction account.

25. The method of claim 1, wherein allowing the user to use the funds in the transaction account for making an on-line payment further comprises designating funds in the transaction account for an on-line payment to a recipient according to an instruction by the user.

26. The method of claim 1, wherein allowing the user to use the funds in the transaction account for making an on-line purchase further comprises allowing the user to

authorize payment to an on-line merchant for an on-line transaction with funds in the transaction account by furnishing the on-line merchant the transaction account number.

27. The method of claim 1, wherein allowing the user to use the funds in the transaction account for making an off-line purchase further comprises allowing the user to authorize payment to an off-line merchant for an off-line transaction with funds in the transaction account using a transaction card provided to the user in connection with the transaction account.

28. The method of claim 1, wherein allowing the user to use the funds in the transaction account for a cash withdrawal further comprises allowing the user to withdraw funds in cash from the transaction account at a self-service financial transaction terminal using a transaction card provided to the user in connection with the transaction account.

29. The method of claim 1, wherein allowing the user to use the funds in the transaction account for making a credit card account payment further comprises allowing the user to authorize a payment to the user's credit card account with funds in the transaction account according to an instruction by the user.

30. The method of claim 1, wherein allowing the user to use the funds in the transaction account for making a bill payment further comprises allowing the user to authorize the bill payment through a bill payment service with funds in the transaction account according an instruction by the user.

31. The method of claim 1, wherein allowing the user to use the funds in the transaction account for making an international payment further comprises allowing the user to authorize the international payment through an international payment service with funds in the transaction account according an instruction by the user.

32. The method of claim 1, wherein allowing the user to use the funds in the transaction account further comprises allowing the user to utilize a save for later portion of the funds in the transaction account.

33. The method of claim 32, wherein allowing the user to use the funds in the transaction account further comprises allowing the user to supplement the save for later portion of the funds in the transaction account with a line of credit associated with the transaction account.

34. A system for making on-line payments, comprising:

means for receiving enrollment information from a user for an on-line payments service;

means for receiving the user's designation of a source account for withdrawing funds for the on-line payments;

means for providing a transaction account for the user as a money deposit account with an account number that the user can use as a source and a destination of funds and with at least one of a plurality of service levels;

wherein the plurality of service levels provided for the user with the transaction account further comprises a first level of service that includes an on-line person-to-person payment service enabling the user to receive and send funds from the user's transaction account, a save for later feature enabling the user to accumulate a balance of funds in the user's transaction account for later use, and a held money feature for retaining funds in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient; a second level of service that includes all features of the first level of service plus an access card enabling the user to access funds in the user's transaction account for off-line transactions; and a third level of service that includes all features of the first and second levels of service plus a credit line enabling the user to access both line of credit funds and accumulated balance funds in the user's transaction account;

means for allowing the user to have funds reside in the transaction account;
and

means for allowing the user to use the funds residing in the transaction account for at least one of making an on-line payment with funds in the transaction account, making an on-line purchase with funds in the transaction account, making an off-line purchase with funds in the transaction account, making a cash withdrawal with funds in the transaction account, making a credit card account payment with funds in the transaction account, making a bill payment with funds in the transaction account, and making an international payment with funds in the transaction account.

35. The system of claim 1, wherein the means for receiving the enrollment information further comprises means for receiving the information from the user on an enrollment page for the on-line payments service.

36. The system of claim 35, wherein the means for receiving the enrollment information further comprises means for receiving information about the user necessary to fulfill a “know your customer” (KYC) obligation of a financial institution as a provider of the on-line payments service.

37. The system of claim 36, wherein the means for receiving the enrollment information further comprises means for receiving information about the user necessary to enable the financial institution to validate that the user is bona fide.

38. The system of claim 37, wherein the means for receiving the enrollment information further comprises means for receiving information about the user relevant in settling disputes related to use by the user of the on-line payments service.

39. The system of claim 34, wherein the means for receiving the user’s designation of the source account further comprises means for receiving the user’s designation of at least one of a credit card account and a deposit account of the user as the source account.

40. The system of claim 39, wherein the means for receiving the user’s designation of the credit card account as the source account further comprises means for

receiving information from the user about the credit card account consisting of a credit card number, a credit card expiration date, and a credit card verifier.

41. The system of claim 40, wherein the means for receiving the information from the user about the credit card account further comprises means for performing a back end authorization to confirm that the information relates to a valid credit card account of the user.

42. The system of claim 39, wherein the means for receiving the user's designation of the deposit account as the source account further comprises means for receiving the user's designation of the deposit account consisting of a least one of a checking account, a debit account, and a money market account of the user as the source account.

43. The system of claim 42, wherein the means for receiving the user's designation of the deposit account further comprises means for receiving information about the deposit account consisting of at least one of a deposit account number and an ABA number of a financial institution with which the deposit account is maintained.

44. The system of claim 43, wherein the means for receiving the information about the deposit account further comprises means for performing a back end validation to confirm that the user is the owner of the designated deposit account.

50. The system of claim 34, wherein the means for providing the transaction account for the user that includes the access card further comprises means for providing the access card for the user that allows the user to withdraw funds from the transaction account at a financial transaction terminal.

51. The system of claim 34, wherein the means for allowing the user to have funds reside in the transaction account further comprises means for allowing the user to utilize the transaction account as a hub for user transactions.

52. The system of claim 51, wherein the means for allowing the user to utilize the transaction account as the hub further comprises means for allowing the user to use the trust account for receiving a person-to-person payment.

53. The system of claim 51, wherein the means for allowing the user to utilize the transaction account as the hub further comprises means for allowing the user to fund the transaction account with funds withdrawn from the designated source account.

54. The system of claim 53, wherein the means for allowing the user to fund the transaction account with funds withdrawn from the designated source account further comprises means for allowing the user to fund the trust account with funds withdrawn from at least one of a credit card account and a deposit account as the source account.

55. The system of claim 54, wherein the means for allowing the user to fund the trust account with funds withdrawn from the deposit account further comprises means for allowing the user to fund the trust account with funds withdrawn from the deposit account consisting of at least one of a checking account, a debit account, and a money market account as the source account.

56. The system of claim 34, wherein the means for allowing the user to have funds reside in the transaction account further comprises means for allowing the user to have funds reside in at least one of a save for later portion and a held money portion of the transaction account.

57. The system of claim 56, wherein the means for allowing the user to have funds reside in at least one of the save for later portion and the held money portion of the transaction account further comprises means for allowing the user to view balances of the save for later and held money portions of the transaction account.

58. The system of claim 34, wherein the means for allowing the user to use the funds in the transaction account for making an on-line payment further comprises means for

designating funds in the transaction account for an on-line payment to a recipient according to an instruction by the user.

59. The system of claim 34, wherein the means for allowing the user to use the funds in the transaction account for making an on-line purchase further comprises means for allowing the user to authorize payment to an on-line merchant for an on-line transaction with funds in the transaction account by furnishing the on-line merchant the transaction account number.

60. The system of claim 34, wherein the means for allowing the user to use the funds in the transaction account for making an off-line purchase further comprises means for allowing the user to authorize payment to an off-line merchant for an off-line transaction with funds in the transaction account using a transaction card provided to the user in connection with the transaction account.

61. The system of claim 34, wherein the means for allowing the user to use the funds in the transaction account for a cash withdrawal further comprises means for allowing the user to withdraw funds in cash from the transaction account at a self-service financial transaction terminal using a transaction card provided to the user in connection with the transaction account.

62. The system of claim 34, wherein the means for allowing the user to use the funds in the transaction account for making a credit card account payment further comprises means for allowing the user to authorize a payment to the user's credit card account with funds in the transaction account according to an instruction by the user.

63. The system of claim 34, wherein the means for allowing the user to use the funds in the transaction account for making a bill payment further comprises means for allowing the user to authorize the bill payment through a bill payment service with funds in the transaction account according an instruction by the user.

64. The system of claim 34, wherein the means for allowing the user to use the funds in the transaction account for making an international payment further comprises means for allowing the user to authorize the international payment through an international payment service with funds in the transaction account according an instruction by the user.

65. The system of claim 34, wherein the means for allowing the user to use the funds in the transaction account further comprises means for allowing the user to utilize a save for later portion of the funds in the transaction account.

66. The system of claim 65, wherein the means for allowing the user to use the funds in the transaction account further comprises means for allowing the user to supplement the save for later portion of the funds in the transaction account with a line of credit associated with the transaction account.

67. The method of claim 1, wherein receiving the user's designation of a source account for withdrawing funds for the on-line payments further comprises receiving the user's designation of a credit card account and designating the withdrawn funds as a purchase on the credit card account by a payments engine.

68. The method of claim 1, wherein allowing the user to use the funds in the transaction account for making an on-line payment further comprises:

receiving an email address and payment amount by a payments engine for a recipient from the user at a user terminal via a network;

notifying the recipient by email at a recipient terminal by the payments engine of the payment;

prompting the recipient by the payments engine to enroll for the on-line payments service;

if the recipient elects to enroll, receiving the recipient's designation of a recipient account to receive the payment and applying the payment amount to the recipient account by the payments engine; and

if the recipient declines to enroll, arranging a courtesy check for the payment amount to the recipient by the payments engine.

69. The method of claim 68, wherein receiving the recipient's designation of a recipient account and applying the payment amount to the recipient account further comprises receiving the recipient's designation of a recipient credit card account and applying the payment amount as a payment on the recipient credit card account.

70. The method of claim 1, wherein allowing the user to use the funds in the transaction account for making an international payment further comprises:

receiving a selection via a network by a payments engine from the user at a user terminal of an option for the international payment;

receiving a selection from the user by the payments engine of one of a payment by wire and a payment by check in response to a prompt by the payments engine;

if the user selects the payment by wire, receiving banking and wire settlement information by the payments engine from the user in response to a prompt by the payments engine;

if the user selects the payment by check, receiving information concerning a recipient, a country, a currency, and a payment amount from the user in response to a prompt by the payments engine; and

displaying an exchange rate and fee for the payment for the user at the terminal by the payments engine via the network.

71. A method for making on-line payments, comprising:

receiving enrollment information by a payments engine from a user at a terminal via a network for an on-line payments service;

identifying characteristics of the user from the enrollment information indicative of a predefined service level for the user by the payments engine;

appending a level indicator for the user by the payments engine to an enrollment file for the user corresponding to the predefined service level for the user;

receiving the user's designation of a source account for withdrawing funds for the on-line payments service for the user by the payments engine via the network;

providing a transaction account for the user by the payments engine with a user service level and graphical user interface corresponding to the appended level indicator; and

allowing the user to use the transaction account for a transaction via the payments engine in response to prompts displayed on the graphical user interface for the user at the terminal according to predetermined transaction parameters established for the user service level,

wherein the predefined service levels comprise a first level service that includes an on-line person-to-person payment service enabling the user to receive and send funds from the user's transaction account, with a save for later feature enabling the user to accumulate a balance of funds in the user's transaction account for later use, and with a held money feature for retaining funds in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient, a second level of service that includes all features of the first level of service plus an access card enabling the user to access funds in the user's transaction account for off-line transactions, and a third level of service that includes all features of the first and second levels of service plus a credit line enabling the user to access both line of credit funds and accumulated balance funds in the user's transaction account.

72. A method for making on-line payments, comprising:

receiving enrollment information for an on-line payments service on an enrollment page for the on-line payments service;

receiving from the user the user's designation of a source account for withdrawing funds for the on-line payments service;

providing a transaction account for the user by the on-line payments service as a money deposit account with an account number that the user can use as a source and a destination of funds and with at least one of a plurality of service levels;

allowing the user to have funds reside in at least one of a save for later portion of the transaction account and a held money portion of the transaction account;

allowing the user to use the funds residing in the transaction account for a transaction consisting of any of making an on-line payment via a recipient account with funds in the transaction account, making an on-line purchase with funds in the transaction account by authorizing payment from the transaction account to an on-line merchant, making a credit card account payment with funds in the transaction account by authorizing the payment to the user's credit card account, making a bill payment via a bill payment service with funds in the transaction account, making an international payment via an international payment service in a foreign currency with funds in the transaction account, making an off-line purchase with funds in the transaction account by authorizing payment from the transaction account to an off-line merchant using a transaction card provided to the user in connection with the transaction account, and making a cash withdrawal with funds in the transaction account at a self-service financial transaction terminal using the transaction card; and

providing the user a credit facility to supplement the save for later portion of the funds in the transaction account for use in any of said transactions, wherein the credit

facility is accessible by the user only upon depleting the save for later portion of the funds in the transaction account.

(9) Evidence Appendix

There is no evidence submitted pursuant to 37 C.F.R. §§ 1.130, 1.131 and no other evidence entered by the examiner and relied on by appellant in the appeal.

(10) Related Proceedings Appendix

There are no decisions rendered by a court or the Board in any other appeals or interferences related to this case.